

## COMMISSION AGENDA ITEM

### Item 9(a) – FY 2026-2027 Fleet Vehicle Procurement Plan



**Date:** June 16, 2026

**To:** California State Lottery Commission

**From:** Harjinder K. Shergill Chima, Director - *HKC*

**Prepared by:** Derick Brickner, Assistant Deputy Director, Operations Division

**Subject:** **Item 9(a) – FY 2026-2027 Fleet Vehicle Procurement Plan**

### **ISSUE**

The California State Lottery (Lottery) requests approval to procure ninety-eight (98) vehicles and associated upfitting equipment, with a maximum expenditure of \$5,809,425, pursuant to the FY 2026–27 Fleet Vehicle Replacement Plan. This expenditure will replace aging or high-mileage vehicles and provide specialized upfitting equipment to support the Sales & Marketing Division’s (Sales), and Security/Law Enforcement Division (SLED), field operations.

### **BACKGROUND**

The Lottery’s fleet consists of 422 owned and leased vehicles ranging from model years 2013 through 2025. These vehicles support the daily operations for SLED, and Operations staff. The Fleet Services Unit (FSU) conducts annual vehicle replacements based on age, mileage, safety, maintenance costs, and reliability. Additional vehicles are also procured to support newly approved positions requiring field transportation.

In March 2025, Lottery initiated a five-year fleet replacement plan to address aging and high-mileage vehicles. For year one (FY 2025-26), the Lottery’s budget included \$2.2 million, resulting in the procurement of forty-one (41) vehicles. For year two of the plan (FY 2026-27), the Lottery’s proposed budget includes \$5,809,425 to procure ninety-eight (98) vehicles.

### **DISCUSSION**

For FY 2026–27, FSU is projecting to procure ninety-eight (98) vehicles, with a maximum expenditure of \$5,809,425. These include:

- Sixty-six (66) high-mileage or aging Lottery-owned vehicles,
- Twenty (20) Enterprise-leased vehicles with expiring lease terms, and
- Three (3) sedans and nine (9) cargo vans needed to support the Sales Business Development Unit and additional staffing tasked to onboard Walgreens as a new retail partner at 448 locations statewide and to service the other Route Model retailers.

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To facilitate business needs, the purchase of the ninety-eight (98) planned vehicles will be split into multiple orders. The initial order of fifty-nine (59) vehicles focuses on vehicles exceeding mileage/age thresholds for replacement, vehicles with expiring Enterprise leases, and new vehicles required to support operational expansion.

FSU evaluated vehicle options available through the Department of General Services Statewide Contract for fleet vehicles. The leveraged procurement agreement ensures competitive pricing. Ford, Chevrolet, and Dodge models were evaluated; Sales stakeholders selected the Ford T-150 based on pricing, reliability, operational suitability, and overall value.

Ford submitted a quote for fifty-nine (59) cargo van vehicles with coordinated upfitting through Ultra Truck Works. Upfitting includes locking center consoles, EZ Stak cabinets, and point-of-sale shelving required for secure transport of Lottery products and equipment. Estimated delivery is five (5) months from purchase order issuance.

The Lottery remains committed to supporting the State's zero-emission vehicle (ZEV) goals consistent with Executive Order N-79-20. The Lottery will follow a similar process to address procurement of the remaining thirty-nine (39) vehicles, including full-electric or plug-in hybrid models aligned with long-term ZEV objectives. The fifty-nine (59) cargo vans included in this first order are exempt from ZEV substitution based on operational necessity. These vehicles are assigned to staff with home-storage permits and must serve geographically dispersed statewide territories. Current electric cargo van platforms cannot meet required daily range or charging availability in remote service areas.

Procuring these vehicles will:

- Support operational efficiency and reliability
- Improve safety
- Reduce long-term maintenance and rental costs
- Modernize the fleet and reduce emissions
- Enhance support for statewide field operations

Failure to approve this request would adversely impact fleet sustainability due to aging assets, high-mileage vehicles and expiring leases. Delayed replacements would increase future procurement needs and may lead to operational vehicle shortages.

### **RECOMMENDATION**

Lottery staff recommends approval to procure and upfit a total of ninety-eight (98) fleet vehicles, with a maximum expenditure of \$5,809,425, pursuant to the FY 2026-27 Fleet Vehicle Replacement Plan.